GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5480
ANSWERED ON:28.04.2000
LOANS TO INDUSTRIAL SECTOR
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government have fixed any norms for sanctioning of industrial loans by the nationalised banks, SIDBI, IDBI, EXIM banks and other Financial Institutions (FIs);

(b) if so, the details thereof;

(c) the State-wise details of the loan disbursed by these banks/FIs to industrial sector during the last three years;

(d) the details of the non-payment of loans by industrial sector; and

(e) the efforts made by the Government for recovering the loans?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR) :

(a) and (b) The Banks/Financial Institutions formulate loan policy duly vetted by theirrespective board which should inter-aiia cover exposure limit to individual or Group type of borrowers. Government of Reserve Bank of India (RBf) do not fix up specific norms for sanctioning of Industrial Loans by Banks/FIs.

(c) The information is being collected and will be laid on the Table of the House to the extent available.

(d) and (e) The gross Non-Performing Assets (NPAs) of Public Sector Banks for the last three years are as under :-

(Rs. Crore)

End of March	Gross NPAs	% to Gross Advances
1997	43577	17.84
1998	45653	16.02
1999	51711	15.89

The Government of India and RBI have advised banks to take several steps for recoveryof bank dues i.e. framing and implementation of Recovery Policy by banks, filing ofsuits with civil courts, filing cases with Debt Recovery Tribunals, compromise settlementthrough Settlement Advisory Committees and monitoring and follow up of non performing accounts.